

EXHIBIT "E"

**BYLAWS
OF
CLIFFDALE COTTAGES CONDOMINIUM
UNIT OWNERS ASSOCIATION, INC.**

These are the Bylaws of CLIFFDALE COTTAGES CONDOMINIUM UNIT OWNERS ASSOCIATION, INC., a North Carolina non-profit corporation (the "Association"). The Articles of Incorporation of the Association (hereinafter referred to as the "Association Articles") have been filed in the Office of the North Carolina Secretary of State. All words, phrases and terms used in these Bylaws (hereinafter referred to as the "Association Bylaws") which are not defined herein shall have the meanings given such words, phrases and terms as are set forth in the DECLARATION CREATING UNIT OWNERSHIP-CLIFFDALE COTTAGES CONDOMINIUM recorded in the Office of the Cumberland County Register of Deeds (the "Declaration") or in the North Carolina Condominium Act set forth in Chapter 47C of the North Carolina General Statutes (the "Act"). Should a definition in the Declaration conflict with a definition in the Act, the definition in the Declaration shall control unless prohibited by law.

**ARTICLE I
MEMBERSHIP**

Section 1.1: Qualification. Membership in the Association shall be limited solely to Owners of Units in the CLIFFDALE COTTAGES CONDOMINIUM and every Owner of a Unit in the CLIFFDALE COTTAGES CONDOMINIUM shall automatically be a Member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of a Unit in the CLIFFDALE COTTAGES CONDOMINIUM. Membership shall be automatically established by acquisition of fee title to a Unit whether by conveyance, devise, dissent, or judicial decree.

Section 1.2: Annual Meetings. The first annual meeting of the Owners shall be held within one year from the date of incorporation of the Association, provided the Declarant has relinquished control of the Association as provided for in the Declaration. Each subsequent regular annual meeting of the Owners shall be held on the first Saturday of May of each year thereafter, unless the Association Board shall change such meeting date.

Section 1.3: Special Meetings. Special meetings of the Owners may be called at any time by the president or the Association Board, or upon written request of twenty percent (20%) of the Owners, pursuant to N.C.G.S. 47C-3-108.

Section 1.4: Notice of Meetings. Written notice of each meeting shall be given by, or at the direction of, the secretary or person(s) authorized to call the meeting, by hand delivering or mailing a copy of such notice, postage prepaid, at least 10 days and not more than 50 days before such meeting to each Owner as provided in N.C.G.S. 47C-3-108.

Section 1.5: Budget Meetings. Within thirty (30) days after adoption of any proposed budget for the CLIFFDALE COTTAGES CONDOMINIUM, the Association Board shall provide a summary of the budget to all of the Owners. The budget shall be considered at a meeting of the Owners as set forth in N.C.G.S. 47C-3-103(c).

Section 1.6: Quorum. The presence at the meeting of Owners or proxies entitled to cast thirty percent (30%) of the votes shall constitute a quorum for any action except as otherwise provided by law.

Section 1.7: Voting Rights.

1.7(a). Ownership of a Unit shall be the sole qualification for membership in the Association. As to issues affecting Units, each Unit shall have a vote in the Association equal to its Allocated Common Element Interest. Such vote arising out of the Allocated Common Element Interest may be cast only on issues pertaining to the Unit. As to issues affecting the Garage Units, each Garage Unit shall have a vote in the Association equal to its Allocated Garage Common Element Interest. Such vote arising out of the Allocated Garage Common Element Interest may be cast only on issues pertaining to the Garage Units. Ownership of a Garage Unit does not entitle a Garage Unit Owner to two (2) votes with regards to votes affecting only the Units.

1.7(b). The right of any Member to vote may be suspended by the Association Board for just cause pursuant to the Association Rules & Regulations.

1.7(c). Members shall be entitled to exercise the vote for each Unit or Garage Unit owned. When more than one Person holds an interest in any one Unit or Garage Unit, all such Persons shall be Members. The vote of that Unit, however, shall be only a single vote irrespective of the number of Owners of a particular Unit or Garage Unit. Fractional voting of a Unit's or Garage Unit's vote however is and shall be expressly prohibited. The Association Board may make reasonable rules relating to the proof of ownership of a Unit or Garage Unit. With respect to the Units, membership in the Association shall be appurtenant to and may not be separated from ownership of the Units. With respect to the Garage Units, given only Owners can own Garage Units, membership in the Association, by Garage Unit Owners, shall similarly be appurtenant to and may not be separated from ownership of a Unit.

Section 1.8: Proxies. Pursuant to N.C.G.S. 47C-3-110, votes allocated to a Unit or Garage Unit may be cast pursuant to a dated written proxy signed by an Owner or Garage Unit Owner, as the case may be. A proxy may only be given by an Owner to an Owner and may not be given to a third party. A proxy of a Garage Unit Owner may be given only to another Garage Unit Owner but may not be given to a third party. An Owner may not revoke a proxy except by written notice delivered to the person presiding over a meeting of the Association. A proxy terminates one year after its date, unless it specifies a shorter term.

Section 1.9: Required Votes. Except as may be otherwise required in the Declaration, these Association Bylaws or by applicable law, all questions voted upon by the Association shall be decided by a vote of a Majority in Interest of the Owners except for those matters that affect only

Garage Units. As to those matters affecting only Garage Units, the same shall be decided by a vote of a Majority in Interest of the Garage Unit Owners only.

Section 1.10: Actions Without Meeting. Any action that may be taken at a meeting of the Owners or Garage Unit Owners may be taken without a meeting if such action is authorized in a writing setting forth the action taken which is signed by all Owners or Garage Unit Owners, as the case may be, entitled to vote upon such action at a meeting and such consent is filed with the Secretary of the Association and inserted in the minute book of the Association.

ARTICLE II OFFICERS AND ASSOCIATION BOARD; SELECTION; TERM OF OFFICE

Section 2.1: Number, Term of Office and Election. The affairs of the Association shall be managed by an Association Board of no less than three (3) members, who shall be entitled to act on behalf of the Association. Subject to the provisions providing for Declarant control as set forth in the Declaration, nomination for election of the Association Board shall be made from the floor at the annual meeting. Election may be by secret written ballot or by a public showing of hands by a majority of the Owners when a quorum is present. Cumulative voting is not permitted. At the first annual meeting following the Declarant Control Period, three (3) Association Board members shall be elected to serve until the following annual meeting. Each Association Board member shall serve for a term of one (1) year or until his or her death, resignation, retirement, removal, disqualification or until his or her successor is elected and qualified. Nothing herein shall preclude any or all of the Officers from serving on or constituting the Association Board if a majority of the Owners so vote. For any Unit having multiple Owners, only one of the Owners of any such Unit may serve on the Association Board or be an Officer at the same time. Similarly at no time shall an Owner and his or her spouse serve either as an Officer or on the Association Board at the same time. While not required, if possible, one of the directors serving on the Association Board at any given time should be an Owner who, in addition to owning a Unit, also owns a Garage Unit, so as to insure all interests in the Cliffdale Cottages Condominium are represented on the Association Board.

Section 2.2: Removal. Any Association Board member, except those appointed by the Declarant, may be removed in accordance with N.C.G.S. 47C-3-103(b). In the event of death, resignation or removal of a director, his successor shall be selected by a majority of the Owners voting at a meeting when a quorum is present.

Section 2.3: Compensation. No Association Board member shall receive compensation for any service he may render to the Association. However, with the prior approval of the Association Board, any Association Board member may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 2.4: Action Without Meeting. The Association Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all the Association Board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting

of the Association Board. Written evidence of such resolution shall be on file with the Association secretary prior to the treasurer expending any funds in reliance on such resolution.

**ARTICLE III
MEETINGS OF ASSOCIATION BOARD**

Section 3.1: Meetings. Meetings of the Association Board shall be held semi-annually without notice, at such place and hour as may be fixed from time to time by resolution of the Association Board. Special meetings of the Association Board may be called by any member of the Association Board, after not less than five (5) days notice to each Association Board member. Nothing herein shall preclude such meetings from being conducted telephonically, if the Association Board desires to do so, provided such Association Board keeps minutes of such telephonic meetings.

Section 3.2: Quorum. A majority of the Association Board members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Association Board members, present at a duly held meeting, shall be regarded as the act of the Association Board.

**ARTICLE IV
POWERS, DUTIES AND AUTHORITY OF THE ASSOCIATION BOARD**

Section 4.1: Powers and Authority of Association Board. Subject to the provisions contained herein and applicable law, the Association Board shall have the power and authority to exercise all of the rights of the Association, including, but not limited to:

- (a) Adopt rules and regulations governing the use of the Common Elements, the personal conduct of the Owners and their tenants, family members or guests, and establish penalties for the infraction thereof;
 - (b) Adopt rules and regulations governing the use of the Garage Common Elements, the personal conduct of the Garage Unit Owners and their tenants, family members or guests, and establish penalties for the infraction thereof;
 - (c) Suspend the voting rights and right of use of the Common Elements allocated to an Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published Association Rules & Regulations;
 - (d) Suspend the voting rights and right of use of the Garage Common Elements allocated to a Garage Unit Owner during any period in which such Garage Unit Owner shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published Association Rules & Regulations;
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(e) Suspend the voting rights and right of use of the Limited Common Elements allocated to an Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published Association Rules & Regulations;

(f) Suspend the voting rights and right of use of the Limited Garage Common Elements allocated to a Garage Unit Owner during any period in which such Garage Unit Owner shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published Association Rules & Regulations;

(g) Declare the office of an Association Board member to be vacant in the event such Association Board member shall be absent from three (3) consecutive regular meetings of the Association Board;

(h) Employ a manager, an independent contractor, or other employees as they deem necessary, and prescribe their duties; provided always, any contract for professional management must contain a clause requiring not more than ninety (90) days termination notice;

(i) Procure, maintain and pay premiums on [an] insurance master policy[ies] and equitably assess the Owners of the same for their pro rata portion of such expense;

(j) Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements other than for service provided to Owners; and

(k) Impose and receive any payments, fees, or charges for the use, rental, or operation of the Garage Common Elements other than for service provided to Garage Unit Owners; and

(l) Exercise any other powers necessary and proper for the governance and operation of the Association; and

(m) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of North Carolina by law may now or hereafter have or exercise.

Section 4.2: Duties of Association Board. It shall be the duty of the Association Board to:

(a) Cause the Common Elements to be maintained, repaired, and replaced as necessary, and to assess the Owners to recover the cost of the upkeep of the Common Elements;

(b) Cause the Garage Common Elements to be maintained, repaired, and replaced as necessary, and to assess the Garage Unit Owners to recover the cost of the upkeep of the Garage Common Elements;

(c) Serve as the architectural control committee after the Declarant Control Period as provided in Article 17 of the Declaration;

(d) Keep a complete record of all its acts and corporate affairs and present a statement thereof to the Owners at the annual meeting, or at any special meeting when such statement is requested in writing by twenty percent (20%) of the Owners;

(e) Keep a complete record of all its acts and corporate affairs and present a statement thereof to the Garage Unit Owners at the annual meeting, or at any special meeting when such statement is requested in writing by twenty percent (20%) of the Garage Unit Owners;

(f) Supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

(g) Fix the amount of the annual assessment at least thirty (30) days in advance of each Annual Assessment Period pursuant to the provisions set forth in the Declaration and N.C.G.S. 47C-3-103(c);

(h) Send written notice of each assessment to every Owner at least thirty (30) days in advance of each Annual Assessment Period;

(i) Foreclose the lien against any Unit (inclusive of any Garage Unit where applicable) for which assessments are not paid within thirty (30) days after the applicable due date or to bring an action at law against the Owner personally obligated to pay the same;

(j) Issue, or have issued, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(k) Procure and maintain, at all times, adequate hazard insurance on the Common Elements, Garage Common Elements and all property for which the Association has the duty to maintain, and sufficient liability insurance to adequately protect the Association as provided in N.C.G.S. 47C-3-113; and

(l) Cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE V OFFICERS AND THEIR DUTIES

Section 5.1: Officers. The officers of the Association shall be a president, vice-president, secretary and treasurer. The officers shall be elected by a majority vote of the Association Board at the annual meeting or a meeting specially called for such purpose.

Section 5.2: Powers and Duties of Officers.

(a) The president shall preside at all meetings of the Association Board; see that orders and resolutions of the Association Board are carried out; sign all leases, mortgages, deeds and other written instruments by or on behalf of the Association, including these Association Bylaws.

(b) The vice-president shall act in the place of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Association Board.

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Association Board and of the Owners (inclusive of the Garage Unit Owners); keep the corporate seal of the Association and affix it on all papers requiring said seal (if the Association shall adopt a seal); serve notice of meetings of the Association Board and of the Owners (including the Garage Unit Owners); keep appropriate current records showing the Owners and Garage Unit Owners together with their addresses; prepare, execute, certify, and record amendments to the Declaration on behalf of the Association; and perform such other duties as required by the Association Board.

(d) The treasurer shall receive and deposit, in appropriate bank accounts, all monies of the Association and disburse such funds as directed by the Association Board; sign all checks and promissory notes (such checks and promissory notes to be approved by the president) of the Association; keep proper books of account; cause an annual review or audit of the Association books as determined by a vote of a majority of the Owners (inclusive of the Garage Unit Owners) to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy to each Owner (inclusive of the Garage Unit Owners).

Section 5.3: Term. Each officer of the Association shall be elected annually by the Association Board and each shall hold office for one (1) year or until his or her death, resignation, retirement, removal, disqualification or until his or her successor is elected and qualified.

Section 5.4: Special Appointments. The Association Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Association Board may, from time to time, determine.

Section 5.5: Resignation and Removal. Any officer may be removed from office with or without cause by the Association Board. Any officer may resign at any time giving written notice to the Association Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, such resignation shall not be necessary to make it effective.

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Section 5.6: Vacancies. A vacancy in any office may be filled by appointment by the Association Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 5.7: Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 5.4 of this Article.

Section 5.8: Compensation. No officer shall receive any compensation from the Association for acting as such. Notwithstanding the foregoing, the officers may be reimbursed for any sums they reasonably advance and expend on behalf or for the benefit of the Association and its Members.

ARTICLE VI BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Owner (inclusive of the Garage Unit Owners) or any Mortgagee. The Association Articles, the Declaration and these Association Bylaws shall be available for inspection by any Owner (including Garage Unit Owners) at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE VII CORPORATE SEAL

The Association may but shall not be required to have a seal in circular form having within its circumference the words: "CLIFFDALE COTTAGES CONDOMINIUM UNIT OWNERS ASSOCIATION, INC."

ARTICLE VIII INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify such persons, for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as permitted by Sections 55A-17.1, 55A-17.2, and 55A-17.3 of the North Carolina General Statutes, as now enacted or hereafter amended.

ARTICLE IX FISCAL MANAGEMENT

Section 9.1: Depository. The initial insured depository for the funds of the Association shall be any commercial bank selected by the Association Board. The Association Board may change such depository from time to time to another insured depository. Withdrawal of funds from such depository shall be by check signed by the elected Association treasurer after first obtaining the approval of the president of the Association or any other persons authorized by the Association Board.

Section 9.2: Fidelity Bonds. Fidelity bonds may be maintained by the Association, in an amount determined by the Association Board, covering each director and officer of the Association, any employee or agent of the Association, and any other person handling or responsible for handling funds of the Association.

Section 9.3: Payment Vouchers. Payment vouchers shall be approved by the Association Board, provided that the Association Board may delegate such authority to any officer or managing agent of the Association.

Section 9.4: Financial Records. The financial records of the Association shall be made reasonably available for examination upon written request to the Association.

Section 9.5: Fiscal Year. The fiscal year of the Association shall be from January 1 through December 31 of each calendar year; however, the first fiscal year shall commence on the date the first Unit is conveyed by the Declarant.

ARTICLE X ASSESSMENTS

Section 10.1: Obligation of Members to Pay Assessments; Amount of Levy. Each Owner shall be personally, jointly and severally liable for the Common Expenses that are levied against his or her Unit while an Owner. Each Garage Unit Owner shall similarly be liable for the Garage Common Expenses that are levied against his, her or its Unit and Garage Unit as set forth in the Declaration. Each Unit shall be assessed in accordance with that Unit's percentage portion of Common Expense Liability and, if applicable, Garage Common Expense Liability as allocated by the Declaration.

Section 10.2: Allocation of Common Surplus. Any common surplus, including funds in reserve accounts, may be allocated to each Unit or Garage Unit, as the case may be, upon a 2/3rds vote of the Owners (including Garage Unit Owners) voting at a meeting when a quorum is present, in accordance with its percentage portion of Common Expenses or Garage Common Expenses as applicable. If allocated, the surplus shall be owned by the Owner of that Unit (or Garage Unit as the case may be) and may be paid to the Owner or credited against that Unit's share of Common Expenses or that Garage Unit's share of the Garage Common Expenses subsequently assessed.

Section 10.3: Preparation of Budget and Levying of Assessment. For each fiscal year, commencing with the fiscal year beginning January 1, 2011, the Association Board shall prepare and adopt a proposed budget, including estimates of the amount necessary to pay the Common Expenses and Garage Common Expenses, together with amounts considered necessary by the Association Board for reserves. Within thirty (30) days after adoption of each annual budget, the Association Board shall provide each Owner with a copy of such budget, and shall give each Owner notice of the assessment made against the Owner's Unit based (and if applicable, the Garage Unit) upon such budget and of the interest to be charged on delinquent payments. The budget shall be ratified unless a Majority in Interest of all Owners rejects the budget at a duly held meeting of Owners, in which

event the last ratified budget shall continue in effect until such time as the Owners ratify a subsequent budget proposed by the Association Board. The assessment shall be deemed levied upon the adoption of the budget by the Association Board, subject to the disapproval of the budget by the Owners.

Section 10.4: Lien for Assessments. Any Association Assessment which remains unpaid shall constitute a lien on that Unit (including any Garage Unit) when filed of record in the Office of the Clerk of Court for Cumberland County, North Carolina. Such lien may be foreclosed as provided in Section 47C-3-116 of the North Carolina General Statutes. Such lien shall be prior to all other liens and encumbrances on the Unit except (i) liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the Unit) recorded in the Cumberland County real estate records before the filing of the lien for Association Assessments in the Office of the Clerk of Superior Court, and (ii) liens for real estate taxes and other governmental assessments or charges against the Unit or Garage Unit as the case may be.

Section 10.5: Payment of Assessments. Assessments shall be payable when notice thereof is given, but shall not be delinquent if paid at the times and in the amounts specified by the Association Board in the notice of assessment. Annual assessments if paid monthly shall be paid on the first day of the first month applicable to such payment after the assessment has been approved. If such assessments are payable quarterly, then they shall be payable on the first day of the next calendar quarter immediately following approval. If they are due semi-annually or annually they shall be due on a date established by the Association Board. Such assessments shall become delinquent if not paid within a thirty (30) day period after the due date. Special Assessments shall be payable as and when the Association Board shall so determine subject to the provisions regarding the same set forth in the Declaration. Payments shall be made to the Association, or as the Association Board may otherwise direct from time to time.

Section 10.6: Funds and Reserves. All sums collected by the Association from Association Assessments shall be accounted for as follows:

(a) Reserve Fund for Repairs and Replacements. To this fund shall be credited all sums collected for the purpose of effecting repairs and replacements of structural elements and mechanical equipment, and other Common Elements and Garage Common Elements.

(b) Working Capital and Operating Reserve Fund. To this fund shall be credited all sums collected to provide a reserve for liquidity. The fund may be used to meet deficiencies from time to time as a result of delinquent payments of Association Assessments and other contingencies.

(c) General Maintenance Fund. To this fund shall be credited collections of Association Assessments for all Common Expenses and Garage Common Expenses for the current year as well as profits and surplus from the previous year, not to be credited to either of the above reserve funds.

The above funds shall be established by the Association Board and shall be funded by regular installments rather than by extraordinary Special Assessments to the extent possible. The reserve funds described above shall be maintained in such amounts as deemed necessary or desirable by the

Association Board and required by applicable law. To the extent maintained, funds shall be held in such accounts and with such insured depositories as the Association Board, in its discretion, selects.

Section 10.7: Special Assessments. There shall be no Special Assessments levied other than by a majority vote of the Owners, except in cases of emergency such as natural disaster or other casualty, in which event the Association Board may impose such a Special Assessment, in its discretion, but subject to the requirements of Section 9.5 of the Declaration, may levy Special Assessments at such other and additional times as in its judgment are required for the discharge of the Association's responsibilities.

Section 10.8 Common Expenses Benefiting Less Than All Sites. Any Common Expense, or Garage Common Expense, as the case may be, associated with the maintenance, repair, or replacement of a Limited Common Element or Limited Garage Common Element, as applicable, shall be assessed against the affected Unit or Garage Unit in equal shares to the Unit or Garage Unit, to which such Limited Common Element or Limited Garage Common Element was allocated at the time the expense was incurred. In addition, the Association may assess any item of Common Expense benefiting less than all of the Units or Garage Common Expenses benefiting less than all of the Garage Units against the Units or Garage Units benefited in the proportion that their Common Expense Liability as to the Units or Garage Common Expense Liability, as to the Garage Units, as the case may be, bear to each other.

Section 10.9 Failure to Prepare Budget and Levy Annual Assessment; Deficiencies in Procedure. The failure or delay of the Association Board in preparing any budget shall not constitute a waiver or release of the Owners' (including Garage Unit Owners) obligation to pay Association Assessments whenever the same shall be determined and levied by due action. Until a new Association Assessment is levied pursuant to Section 10.3, each Owner (inclusive of the Garage Unit Owners) shall continue to pay the existing Association Assessment in the same amount and at the same periodic times as levied. Non-material deficiencies or inadequacies in the procedure followed by the Association Board in levying an assessment shall not in any way affect its validity or the obligation of Owners (inclusive of the Garage Unit Owners) to pay such Association Assessment.

Section 10.10 Assessment Roll; Certificate. All Association Assessments shall be set forth upon a roll of the Units (and Garage Units), which shall be available in the office of the Association for inspection at all reasonable times by Owners, Mortgagees and their duly authorized representatives. Such roll shall include, for each Unit and Garage Unit, the name and address of the Owners (including the Garage Unit Owners), all Association Assessments levied, and the amount of all unpaid Association Assessments. The Association, upon written request, shall furnish to any such party a recordable statement setting forth the amount of unpaid assessments currently levied against his or her Unit and Garage Unit as applicable. The statement shall be furnished within seven (7) business days after receipt of the request and shall be binding upon the Association and all Owners (including Garage Unit Owners, as applicable). A reasonable fee may be charged by the Association Board for such statement.

Section 10.11 Interest on Delinquent Assessments. Association Assessments paid before they become delinquent shall not bear interest, but all delinquent sums shall bear interest at the rate

set forth in the notice levying the Association Assessment, not exceeding any applicable maximum legal rate of interest, from the date delinquent until paid. If no interest rate is set forth in such notice, such interest rate shall be the maximum allowed by the Declaration. All payments upon account shall be applied first to interest and then to the Association Assessment, or installment thereof, longest delinquent. All such interest shall constitute a lien with the same priority as the Association Assessment on which such interest accrues.

Section 10.12 Common Expenses and Garage Common Expenses. "Common Expenses" shall include but shall not be limited to, taxes, assessments, and governmental charges assessed against the Common Elements (inclusive of the Garage Common Elements), liability insurance, utility charges and expenses for services provided to the Common Elements, (inclusive of the Garage Common Elements) Association operational costs, management fees, improvement and maintenance costs (including those for the Common Elements, Garage Common Elements, Private Streets, landscaped areas of rights-of-way, storm drains, detention basins, retention ponds and any easements granted to the Association), costs, expenses, damages, repairs and liabilities reasonably incurred by the Association in fulfilling the purposes of this Declaration, other expenses agreed by the Members to be "Common Expenses", and reserves for any of the foregoing purposes. For purposes of this section only, Common Expenses and Garage Common Expenses may be used interchangeably to the extent necessary to give the broadest interpretation to the term Common Expenses.

ARTICLE XI COMPLIANCE, ENFORCEMENT, FINES AND PENALTIES

Section 11.1 Defaults and Remedies. A default in or failure to comply with any of the terms, conditions, obligations, and provisions of the Act, the Declaration, the Association Bylaws, the Association Articles, or Association Rules & Regulations established by the Association Board, as the same may be amended from time to time, by any person or entity subject thereto, shall give to any Person adversely affected by such default or failure a claim for appropriate relief.

Section 11.2 Notice of Default and Failure to Cure. In the event of any default or failure to act by an Owner (including a Garage Unit Owner), the Association Board shall serve upon or mail to the defaulting Owner (or Garage Unit Owner, as the case may be) and to each Mortgagee of the Owner's Unit (including the Mortgagee of any Garage Unit) when required under the Declaration, a written notice specifying the nature of the default, the cure thereof, and the time within which the cure shall be effected. Within the time limit specified in the notice, the defaulting Owner or Garage Unit Owner may cure the default specified, or serve upon or mail a written notice to the Association Board requesting a hearing. If a hearing is so requested, the Association Board shall thereafter serve upon or mail to the defaulting Owner or Garage Unit Owner, as the case may be, and to each such Mortgagee, which was entitled to notice of the default as above provided, a notice specifying the time and place for such hearing. At the hearing, the Association Board shall take such evidence and hear such testimony as it deems necessary or desirable. The Association Board shall not exercise any remedies to obtain relief from the default until the hearing is over and the Association Board has made its determination and served upon or mailed the same to the defaulting Owner (including any defaulting Garage Unit Owner) and each such Mortgagee. The hearing may be continued from time to time as determined by the Association Board. Upon taking such evidence and hearing such

testimony, the Association Board at the hearing or at such later time shall determine, in writing, and at its sole option, to waive the default in whole or in part, to extend the time within which the default may be cured, to proceed immediately to levy a fine or penalty, or to exercise any one or more of the remedies available to the Association Board due to such default. The Association Board shall serve upon or mail to the defaulting Owner (including any defaulting Garage Unit Owner), and to each such Mortgagee which was entitled to notice of the default as above provided a copy of its decision. If the defaulting Owner (including any defaulting Garage Unit Owner, as the case may be), (i) does not cure the default or request a hearing within the time limit specified in the original notice of default given pursuant to this Section, or (ii) so requests a hearing, but fails to cure the default (to the extent not waived by the Association Board) within the extended time, if any, granted by the Association Board after hearing, then the Association Board shall serve upon or mail to the defaulting Owner (including any defaulting Garage Unit Owner), and to each Mortgagee which was entitled to notice of the default as above provided, a written notice of such Owner's (including a Garage Unit Owner's) failure to effect a cure, and the Association Board may then proceed to take such action as it deems necessary to obtain relief.

Section 11.3 Remedy of Abatement in Addition to Other Remedies. In the event an Owner (including a Garage Unit Owner) fails to effect the cure specified by the Association Board within the time period set out in (i) or (ii) of Section 11.2 above, whichever is applicable, and where the default is a structure, thing, or condition existing in or on the Property, the Association Board, or its duly authorized representative, shall have the right to enter upon any portion of the Property and summarily abate and remove, at the defaulting Owner's (or defaulting Garage Unit Owner's) expense (and levy assessment therefore), the structure, thing, or condition constituting the default. The Association Board, the Association, and their agents, employees, and representatives shall not thereby be deemed guilty of any manner of trespass.

Section 11.4 Non-Waiver of Covenants. The failure of the Association or of any Owner, (including any Garage Unit Owner), to enforce any term, provision, right, covenant, or condition that may be granted by the Declaration, these Association Bylaws, the Association Articles, the Association Rules & Regulations established by the Association Board or applicable law as the same may from time to time be amended, shall not constitute a waiver or abrogation of the right of enforcement in the future, irrespective of the number of violations or breaches that may have occurred.

Section 11.5 Liens for Assessments. Liens for assessments shall be enforced pursuant to Article X and not pursuant to this Article XI.

ARTICLE XII AMENDMENT

An amendment to these Association Bylaws shall be made and approved by a vote of the Owners owning at least two-thirds (2/3) of the Allocated Common Element Interests if the vote pertains to the Units, the Common Elements or the Limited Common Elements. If the vote pertains to the Garage Units, the Garage Common Elements or Garage Limited Common Elements, then in such event these Association Bylaws may be amended as to such matters by a vote of the Garage

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Unit Owners owning at least two-thirds (2/3) of the Allocated Garage Common Element Interests at a duly held meeting.

Adopted this 23rd day of August, 2011.

CLIFFDALE COTTAGES CONDOMINIUM
UNIT OWNERS ASSOCIATION, INC.

By: 
James K. Pendergrass, Jr., President

CERTIFICATE OF COMPLETION
FOR
CLIFFDALE COTTAGES CONDOMINIUM

The undersigned, being a Professional Engineer licensed under the provisions of Chapter 89 [89C] of the North Carolina General Statutes, hereby certifies that all structural components and mechanical systems of all buildings containing or comprising any units created by the Declaration of Condominium for CLIFFDALE COTTAGES CONDOMINIUM, to which this Certificate of Completion is attached and made a part, are substantially completed in accordance with the Plan(s) dated April 29, 2011, prepared by the undersigned engineer identified by Project Number 9175.00.

This Certificate of Completion is issued in accordance with and in satisfaction of the requirements of N.C.G.S. 47C-2-101.

This the 4 day of August, 2011.

By: Gregory J. Tierney
Gregory J. Tierney, P.E.
Professional Engineer
License No. 015141

STATE OF NORTH CAROLINA

COUNTY OF Johnston

I, a Notary Public of the County and State aforesaid, do hereby certify that Gregory J. Tierney, Professional Engineer, personally appeared before me this day and acknowledged the due execution of the following instrument.

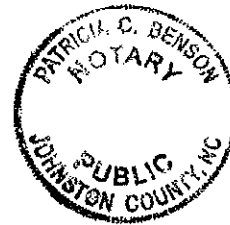
Witness my hand and official seal, this the 4th day of August, 2011.

Patricia C. Benson
Notary Public

Patricia C. Benson
Printed Name

My Commission Expires: 8-1-2014

(N.P. SEAL)



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EXHIBIT "G"
Permitted Encumbrances

1. Rights of third parties in and to the pond partially situated on the Property and partially situated on the lands of Crescent Commons Apartment Property II, LLC;
2. Any Deed of Trust, Mortgage or other lien intended to secure any loan obtained by any intended owner of a Unit or Garage Unit within the Cliffdale Cottages Condominium Regime;
3. Any claim of lien filed by the Association against any Unit or Garage Unit for which an Owner has failed to pay any Association Assessment levied against such Unit or Garage Unit.

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EXHIBIT "H"
Easements

Utility Easement Public Works Commission by Elmwood Partners, LLC, Grantor,
to the City of Fayetteville, Grantee, recorded in Book 6401, Page 474, in the
Office of the Cumberland County Register of Deeds
